

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1199** HLS 26RS 2096
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 14, 2026 7:43 PM	Author: JORDAN
Dept./Agy.: LA Department of Insurance	Analyst: Cristian Nedelea
Subject: Coverage for genetic testing and the treatment of SCN2A	

INSURANCE/HEALTH OR INCREASE GF EX See Note Page 1 of 2
 Provides relative to health insurance coverage for genetic testing and the treatment of SCN2A-associated medical conditions

Proposed law defines certain terms such as genetic testing and SCN2A. Proposed law mandates that any health coverage plan contracted for in this state on or after 1/01/2027, shall provide coverage for genetic testing to diagnose SCN2A-associated medical conditions when ordered by a treating physician or advanced practice provider. Proposed law mandates coverage for medically necessary treatment of SCN2A-associated medical conditions, including but not limited to: anti-seizure medications and other pharmacologic therapies; rehabilitative and habilitative services; medically necessary durable medical equipment, assistive technology, and adaptive devices; nutritional, feeding, and gastrointestinal management services; as well as any additional treatment deemed medically necessary by the treating physician or advanced practice provider. Proposed law stipulates that the determination of medical necessity be made by the enrollee's treating physician or advanced practice provider. If coverage is denied then written notification along with denial reason must be provided and denials may be appealed in accordance with existing laws. Proposed law permits the implementation of prior authorization procedures and cost-sharing requirements. Proposed law prohibits any denial of coverage based on disability, developmental status, or pre-existing conditions. The provisions of this legislation do not apply to limited benefit health insurance policies or contracts.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law is anticipated to result in a significant increase of SGF expenditures associated with a mandate to health insurance policies issued under the insurance exchanges by \$238,000 (low) to \$1.5 M in FY 27, with costs increasing in subsequent fiscal years. Proposed law mandates that any health coverage plan contracted for in this state on or after 1/01/27, shall provide coverage for genetic testing to diagnose SCN2A-associated medical conditions when ordered by a treating physician or advanced practice provider. Proposed law also mandates coverage for treatment of SCN2A-associated medical conditions deemed medically necessary by the treating physician or advanced practice provider.

Insurance Exchanges Impact (SGF Defrayal Impact)

Proposed law may increase SGF expenditures beginning in FY 27 and subsequent fiscal years according to an analysis provided by the health actuary at the Louisiana Department of Insurance (LDI). The state would be required to fund health claims expenditures associated with providing coverage as required by the proposed law for policies issued by qualified health plans through the health insurance exchange beginning in FY 27 with estimated costs of \$238,000 (low) to \$1.5 M (high). Defrayal claims expenses associated with proposed law would be paid out by the State Treasury Department. LDI bases this analysis on the following assumptions: (1) The calculations are on a fiscal year basis. (2) The exchange population is approximately 300,000. (3) The estimated per member per month (PMPM) cost of \$0.18 (low) to \$0.84 (high) over the entire insured population. (4) The testing rate in the first year is thrice the yearly average due to previously deferred testing, twice the yearly average in the second year, and a leveled testing rate thereafter. (5) Assumed a medical inflation rate of 7% for future years. Based upon the aforementioned assumptions, the estimated annual cost increases for insurance providers associated with proposed legislation claims are as follows:

	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
Low	\$238,000	\$242,000	\$244,000	\$261,000	\$280,000	\$1,265,000
High	\$1,472,000	\$1,406,000	\$1,324,000	\$1,417,000	\$1,516,000	\$7,135,000

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Defrayal cost for testing coverage only:

	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
Low	\$38,000	\$27,000	\$14,000	\$15,000	\$17,000	\$111,000
High	\$472,000	\$337,000	\$180,000	\$193,000	\$206,000	\$1,388,000

Background Information

The proposed law is expected to increase utilization and expenditures in two primary areas:

(1) Genetic testing for individuals with clinical indications of early-onset epilepsy, developmental delay, or severe autism spectrum disorder (ASD). Individual cost of testing is \$500 to \$5,000, depending on the type of test. Approximately 20 to 25 individuals per 100,000 covered lives are expected to undergo testing annually. Total testing costs for the population range from \$10,000 to \$125,000.

(2) Treatment services following diagnosis of a SCN2A-associated medical condition. An estimated 5 to 12 individuals per 100,000 covered lives will require treatment (2 to 5 individuals for SCN2A related ASD and 3 to 7 individuals for SCN2A related seizure disorders). The total estimated treatment cost ranges from \$159,000 to \$794,000 (\$18,000 to \$213,000 for SCN2A related ASD and \$141,000 to \$581,000 for SCN2A related seizure disorders).

Annual treatment costs varies by type and within the type of treatment:

	Low	High
Physical, Occupational, and Speech Therapy	\$15,600	\$62,400
Behavioral and Psychological Therapies	\$26,000	\$124,800
Anti-seizure medication	\$200	\$36,000
Psychiatric medication	\$50	\$2,400
GI, sleep, and supportive medication	\$60	\$480
Encephalopathy medication	\$1,500	\$40,000
ASD medication	\$300	\$3,000

Treatments are more expensive in early development and costs tend to decrease as the patient ages:

Age Group	ASD	Seizure-Related
0-5	\$41,900 - \$190,000	\$50,100 - \$267,200
6-12	\$20,300 - \$103,000	\$22,800 - \$158,000
13-17	\$10,300 - \$38,000	\$12,800 - \$76,000
18+	\$2,800 - \$15,000	\$5,300 - \$48,000

The Office of Group Benefits (OGB)

The Office of Group Benefits (OGB) indicates that the proposed law has no claims expenditure impact because its self-funded health plans already comply with the requirements of this legislation.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
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